

S.B. NO. 1231

JAN 24 2019

A BILL FOR AN ACT

RELATING TO THE SPOUSE AND CHILD ABUSE SPECIAL FUND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Congress passed the Family First Prevention
2 Services Act of 2018 (Family First) as part of the Bipartisan
3 Budget Act of 2018, Public Law 115-123. Family First changes the
4 way states may spend and claim funds pursuant to Title IV-E of
5 the Social Security Act. Previously, Title IV-E funds could only
6 be used for foster care maintenance, adoption assistance, kinship
7 guardianship assistance, and related training and administrative
8 expenses.

9 Under Family First, states with an approved Title IV-E plan
10 now have the option to use Title IV-E funds for prevention
11 services that would allow children who have been abused or
12 neglected or are at risk of being abused or neglected to remain
13 with their parents or relatives. States can get reimbursed for
14 certain twelve-month periods of prevention services.

15 The department of human services seeks to retain Family
16 First federal reimbursements and all Title IV-E federal
17 reimbursements to secure a stable source of funding for child
18 abuse and neglect prevention, intervention, and other services.

1 Currently, the department of human services is not allowed
2 to retain reimbursements received for a prior fiscal year, and
3 instead is required to deposit these reimbursements into the
4 general fund. The department of human services returned
5 approximately \$4,068,161 to the general fund in state fiscal
6 year 2016-2017 and approximately \$6,736,894 to the general fund
7 in state fiscal year 2017-2018 in Title IV-E federal
8 reimbursements. The ability to retain Title IV-E federal
9 reimbursements will assist to stabilize funding for prevention
10 services; allow the State to maintain and develop its own
11 evidence based, child abuse and prevention and intervention
12 programs suited for Hawaii's diverse and unique communities; and
13 improve and increase the State's capacity to prevent, reduce, and
14 appropriately respond to the impacts of spousal and child abuse
15 in our community.

16 The purposes of this Act are to (1) amend section 346-7.5,
17 Hawaii Revised Statutes, to allow the spouse and child abuse
18 special fund to receive Title IV-E federal reimbursements
19 received in the fiscal year following the year in which the
20 Title IV-E funds were expended, to replace the term "account"
21 with "fund," and to delete the "department of human services"
22 from the title; (2) exempt the spouse and child abuse special

1 fund from the central service assessment set forth in section
2 36-27, Hawaii Revised Statutes; and (3) exempt the spouse and
3 child abuse special fund from the administrative expense
4 assessment set forth in section 36-30, Hawaii Revised Statutes.

5 SECTION 2. Section 36-27, Hawaii Revised Statutes, is
6 amended by amending subsection (a) to read as follows:

7 "(a) Except as provided in this section, and
8 notwithstanding any other law to the contrary, from time to
9 time, the director of finance, for the purpose of defraying the
10 prorated estimate of central service expenses of government in
11 relation to all special funds, except the:

- 12 (1) Special out-of-school time instructional program fund
13 under section 302A-1310;
- 14 (2) School cafeteria special funds of the department of
15 education;
- 16 (3) Special funds of the University of Hawaii;
- 17 (4) State educational facilities improvement special fund;
- 18 (5) Convention center enterprise special fund under
19 section 201B-8;
- 20 (6) Special funds established by section 206E-6;
- 21 (7) Aloha Tower fund created by section 206J-17;

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- 1 (8) Funds of the employees' retirement system created by
2 section 88-109;
- 3 (9) Hawaii hurricane relief fund established under chapter
4 431P;
- 5 (10) Hawaii health systems corporation special funds and
6 the subaccounts of its regional system boards;
- 7 (11) Tourism special fund established under section 201B-
8 11;
- 9 (12) Universal service fund established under section 269-
10 42;
- 11 (13) Emergency and budget reserve fund under section 328L-
12 3;
- 13 (14) Public schools special fees and charges fund under
14 section 302A-1130;
- 15 (15) Sport fish special fund under section 187A-9.5;
- 16 [+] (16) [+] Neurotrauma special fund under section 321H-4;
- 17 [+] (17) [+] Glass advance disposal fee established by section
18 342G-82;
- 19 [+] (18) [+] Center for nursing special fund under section 304A-
20 2163;
- 21 [+] (19) [+] Passenger facility charge special fund established
22 by section 261-5.5;

1 [+] (20) [+] Solicitation of funds for charitable purposes
2 special fund established by section 467B-15;
3 [+] (21) [+] Land conservation fund established by section 173A-
4 5;
5 [+] (22) [+] Court interpreting services revolving fund under
6 section 607-1.5;
7 [+] (23) [+] Trauma system special fund under section 321-22.5;
8 [+] (24) [+] Hawaii cancer research special fund;
9 [+] (25) [+] Community health centers special fund;
10 [+] (26) [+] Emergency medical services special fund;
11 [+] (27) [+] Rental motor vehicle customer facility charge
12 special fund established under section 261-5.6;
13 [+] (28) [+] Shared services technology special fund under
14 section 27-43;
15 [+] (29) [+] Automated victim information and notification system
16 special fund established under section 353-136;
17 [+] (30) [+] Deposit beverage container deposit special fund
18 under section 342G-104;
19 [+] (31) [+] Hospital sustainability program special fund under
20 [+]section 346G-4 [+] ;
21 [+] (32) [+] Nursing facility sustainability program special fund
22 under [+]section 346F-4 [+] ;

[+](33)[+] Hawaii 3R's school improvement fund under section
302A-1502.4;

[+](34)[+] After-school plus program revolving fund under
section 302A-1149.5; [and]

[+](35)[+] Civil monetary penalty special fund under section
321-30.2 [7]; and

(36) Spouse and child abuse special fund under section 346-
7.5,

shall deduct five per cent of all receipts of all other special
funds, which deduction shall be transferred to the general fund
of the State and become general realizations of the State. All
officers of the State and other persons having power to allocate
or disburse any special funds shall cooperate with the director
in effecting these transfers. To determine the proper revenue
base upon which the central service assessment is to be
calculated, the director shall adopt rules pursuant to chapter
91 for the purpose of suspending or limiting the application of
the central service assessment of any fund. No later than
twenty days prior to the convening of each regular session of
the legislature, the director shall report all central service
assessments made during the preceding fiscal year."

SECTION 3. Section 36-30, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) Each special fund, except the:

(1) Special out-of-school time instructional program fund under section 302A-1310;

(2) School cafeteria special funds of the department of education;

(3) Special funds of the University of Hawaii;

(4) State educational facilities improvement special fund;

(5) Special funds established by section 206E-6;

(6) Aloha Tower fund created by section 206J-17;

(7) Funds of the employees' retirement system created by section 88-109;

(8) Hawaii hurricane relief fund established under chapter 431P;

(9) Convention center enterprise special fund established under section 201B-8;

(10) Hawaii health systems corporation special funds and the subaccounts of its regional system boards;

(11) Tourism special fund established under section 201B-11;

(12) Universal service fund established under section 269-42;

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- 1 (13) Emergency and budget reserve fund under section 328L-3;
- 2 (14) Public schools special fees and charges fund under
- 3 section 302A-1130;
- 4 (15) Sport fish special fund under section 187A-9.5;
- 5 [†] (16) [†] Neurotrauma special fund under section 321H-4;
- 6 [†] (17) [†] Center for nursing special fund under section 304A-
- 7 2163;
- 8 [†] (18) [†] Passenger facility charge special fund established
- 9 by section 261-5.5;
- 10 [†] (19) [†] Court interpreting services revolving fund under
- 11 section 607-1.5;
- 12 [†] (20) [†] Trauma system special fund under section 321-22.5;
- 13 [†] (21) [†] Hawaii cancer research special fund;
- 14 [†] (22) [†] Community health centers special fund;
- 15 [†] (23) [†] Emergency medical services special fund;
- 16 [†] (24) [†] Rental motor vehicle customer facility charge
- 17 special fund established under section 261-5.6;
- 18 [†] (25) [†] Shared services technology special fund under
- 19 section 27-43;
- 20 [†] (26) [†] Nursing facility sustainability program special fund
- 21 established pursuant to [†]section 346F-4 [†];

[+] (27) [+] Automated victim information and notification system
special fund established under section 353-136;

[+] (28) [+] Hospital sustainability program special fund under
[+] section 346G-4 [+]; [and]

[+] (29) [+] Civil monetary penalty special fund under section
321-30.2[-]; and

(30) Spouse and child abuse special fund under section 346-
7.5,

shall be responsible for its pro rata share of the
administrative expenses incurred by the department responsible
for the operations supported by the special fund concerned."

SECTION 4. Section 346-7.5, Hawaii Revised Statutes, is
amended to read as follows:

"§346-7.5 Spouse and child abuse special ~~[account,~~
~~department of human services.]~~ fund. (a) There is established
within the state treasury a special fund to be known as the
"spouse and child abuse special ~~[account-,]~~ fund", and to be
administered and expended by the department of human services.

(b) The proceeds of the ~~[account]~~ special fund shall be
reserved for use by the department of human services for staff
programs, and grants or purchases of service, consistent with
chapters 42F and 103F, that support or provide spouse or child

1 abuse intervention or prevention as authorized by law. These
2 proceeds shall be used for new or existing programs and shall
3 not supplant any other funds previously allocated to these
4 programs. ~~[The account shall be kept separate and apart from~~
5 ~~all other funds in the treasury.]~~

6 (c) The ~~[account]~~ special fund shall consist of fees
7 remitted pursuant to sections 338-14.5 and 572-5, income tax
8 remittances allocated under section 235-102.5, federal
9 reimbursements received through Title IV-E of the Social
10 Security Act received in the following fiscal year from which
11 the Title IV-E funds were expended, interest and investment
12 earnings, grants, donations, and contributions from private or
13 public sources. All realizations of the ~~[account]~~ special fund
14 shall be subject to the conditions specified in subsection (b).

15 (d) The department of human services~~[, in coordination~~
16 ~~with the department of health,~~] shall submit an annual report to
17 the legislature, prior to the convening of each regular session,
18 providing an accounting of the receipts of and expenditures from
19 the ~~[account-]~~ special fund.

20 (e) All unencumbered and unexpended moneys in excess of
21 \$5,000,000 in the spouse and child abuse special fund shall
22 lapse to the credit of the general fund. Upon dissolution of

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1 the spouse and child abuse special fund, any unencumbered moneys
2 in the fund shall lapse to the general fund."

3 SECTION 5. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 6. This Act, upon its approval, shall take effect
6 on June 30, 2019.

7

8

INTRODUCED BY: 

9

BY REQUEST

10

1 **Report Title:**

2 Spouse and Child Abuse Special Fund

3

4 **Description:**

5 Exempts the spouse and child abuse special fund from the central
6 services assessment and administrative expense assessment.

7 Amends the spouse and child abuse special fund to allow
8 reimbursements received from the U.S. Department of Health and
9 Human Services, Administration for Children and Families, in the
10 year following the fiscal year in which the Title IV-E funds
11 were expended, to be deposited and expended for state-funded
12 share of spouse or child abuse and neglect prevention,
13 intervention, and other related services. Replaces "account"
14 with "fund," and deletes "department of human services" from the
15 title.

16

17 *The summary description of legislation appearing on this page is for informational purposes only and is*
18 *not legislation or evidence of legislative intent.*

19

SB. NO. 1231

JUSTIFICATION SHEET

DEPARTMENT: Human Services

TITLE: A BILL FOR AN ACT RELATING TO THE SPOUSE AND CHILD ABUSE SPECIAL FUND.

PURPOSE: To allow retention of Title IV-E of the Social Security Act federal reimbursements received from the U.S. Department of Health and Human Services, Administration for Children and Families, in the following fiscal year from when the expenses were incurred; to exempt the spouse and child abuse special fund from the central service assessment and administrative expense assessment; and to make technical corrections.

MEANS: Amend sections 36-27(a), 36-30(a), and 346-7.5, Hawaii Revised Statutes.

JUSTIFICATION: The Family First Prevention Services Act of 2018(Family First), found in the Bipartisan Budget Act of 2018, Public Law 115-123, adds a mechanism for states to claim reimbursement through Title IV-E of the Social Security Act for a percentage of state funds spent on certain child abuse and neglect prevention services. On October 1, 2019, states with an approved Title IV-E plan will be able to begin drawing down federal reimbursement funds for certain prevention services under Family First. Also, on September 30, 2019, all Title IV-E waivers will end. The department of human services estimates the end of Hawaii's Title IV-E waiver will result in an approximate fifteen percent reduction of federal reimbursements. This bill is one strategy for DHS to have enough funding to maintain the current level of services and to build programmatic and community capacity to maximize federal reimbursement for certain prevention services available through Family First.

Currently, the department of human services returns approximately \$5 million dollars of federal Title IV-E reimbursements to the general fund when those reimbursements are received in the fiscal year following the year the funds were expended. Having the authority to retain those funds, the department would have a stable and predictable source of state funds to administer programs and services that prevent or reduce the impact or incidents of spouse abuse or child abuse and neglect. Under Family First, the state will be able to define the conditions of candidacy to be eligible for prevention services reimbursable through Family First. Hawaii has not yet established its definition, however, where there are instances where spousal abuse may contribute to child abuse and neglect, mental health, substance abuse, and parent child prevention services should be able to address issues related to spousal abuse.

Impact on the public: Impact on the public will be positive, as the department of human services will be better able to maintain the current level of services currently provided through the state's Title IV-E waiver. Also, if Title IV-E reimbursements are retained more funds may be expended on evidence based programs that prevent and reduce the impact and incidents of spouse abuse and child abuse and neglect. Additionally, the population that may be served for certain programs and services may be greater than was previously eligible for Title IV-E funded programs, as certain conditions that previously limited eligibility for Title IV-E funds have been removed by Family First.

Impact on the department and other agencies: Family First does not limit the delivery of described prevention services eligible for federal reimbursement to the Title IV-E

agency (the Department of Human Services). Potential impact on other departments or branch of government that currently provide services for mental health, substance abuse, and parent-child services, may require future investment to improve data sharing systems and develop processes to facilitate braided funding to maximize the ability to request federal reimbursement of general funds.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: HMS 901.

OTHER AFFECTED
AGENCIES: Department of Health, Department of the Attorney General, and Judiciary. For the state to be eligible to receive federal reimbursement for state expenditures on prevention services and related administrative expenses, additional prevention plans and appropriate court orders will need to be documented to reflect certain elements required by Family First.

EFFECTIVE DATE: June 30, 2019.